

John Adams

To the Inhabitants of the STATE of MASSACHUSETTS-BAY.

FRIENDS AND FELLOW COUNTRYMEN !

IT is with concern and attention that the House of Representatives find that an act, intitled an act for drawing in the bills of credit of the several denominations, &c. passed the last Session, has given uneasiness to any of the good people of this State : A number of towns have presented their petitions stating such grievances, as they apprehend will arise from the execution of that act, and pray relief :

The knowledge which the good people have of the disposition of their Representatives, must induce them to believe (what most of the petitions express) that the legislative body in passing that law, and in all their conduct, have it sincerely in view to promote the welfare of this State, by those measures which upon full advisement and consideration of all circumstances, and exigencies, appear best adapted for that essential purpose ; and in pursuance of that disposition, the House of Representatives have proceeded to a consideration of the substantial parts of the petitions, and to explain to their constituents, the reasons upon which the said act was enacted.

It is well known, that the present necessary and expensive war in which we are involved, for the preservation of every thing valuable, was first enkindled in this State, and in so sudden a manner, that without magazines or finances, we were obliged instantly to raise, pay, and support a large army by our own efforts, before the American Congress could take measures to relieve us ; this occasioned the emission of large and repeated quantities of bills of credit ; the unsettled state of Government, and the disinclination of many of the inhabitants to call in any of the bills of credit, or prevent the emission of more by taxation, reduced the legislative body to this alternative, either to suffer our liberties to be destroyed for want of defence, or else to continue the emission of paper bills, to the depreciation of what was then current ; the same situation of Government, and disinclination for taxation taking place also in the other States, occasioned large and repeated emissions of bills of credit from them, which obtained a general circulation among us ; from all this it is obvious, that the American Congress being the collected power and will of the United States, could do no otherwise, than repeat their emissions of Continental currency, as the general good of the whole required, expecting when the Governments of the several States should be so established, as that taxation should relieve us from the great evil of repeated emissions of paper currency : It is also notorious, that numbers of our enemies have counterfeited large quantities of the paper currency of this and the neighbouring States, and that by means of all this, the quantity of circulating paper medium, has long since increased vastly beyond all pretensions of usefulness, and manifestly to the enhancing the demand of all commodities to an extravagant price : This alarming situation of our currency and commerce, induced the General Assembly of last year, to meet by their Delegates in Convention, the neighbouring States at *Providence*, and on their report, the monopoly bill (so called) was enacted, but being unaccompanied with taxation, loaning, or any other method of reducing the overgrown quantities of paper currency, it failed of answering the valuable purposes for which it was designed ; the suppressing the prices of commodities, at a time when the quantity of currency was vastly too great and still increasing, inevitably threw the bulk of the money out of circulation and use, and of course inclined the holders of such useless quantities of money, to give a much larger price for commodities than the monopoly bill allowed ; and when the buyer is willing, what can restrain the seller ? This growing evil not being redressed by the monopoly bill, the present General Court in their first Session, appointed a committee to meet in Convention at *Springfield*, the committees of the five northern States, to confer upon the best method of redressing these evils ; the amount of whose report was, that the only method from which we could reasonably expect relief was, reducing the quantity of currency, by loaning, taxation and non-emission of bills of credit : Your Representatives therefore, taking into consideration the amount of the paper currency of this State, the quantity of it that is counterfeited, the difficulties that arise from the numerous sorts of

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it, of knowing the good from the bad; the great advantages of having but one species of currency, viz. the Continental; the exceeding quantities of that sort which will remain when all the States money is destroyed; and themselves under a necessity of stopping the currency of the bills of any single State, and calling in those of our own in the speediest manner. Your Representatives being desirous to give full satisfaction to their constituents, upon the subject of their Petition, think it the readiest way to state the objections contained in the whole of them, and to obviate the seeming grievances.

ONE prevailing objection against the act is, "*that the loaning the State's money will distress us, by the encreasing debt arising from the interest of the same.*" That the interest of a sum added to the principle, makes a larger sum than the principle is certain, but that the debt will be encreased thereby in certain cases, will not appear upon explanation; for by loaning those bills, the circulating quantity is lessened; this has a natural tendency to prevent the high prices, which arise from a surplussage of money, and this in a short time will amount to a saving of more than the whole principle, the reducing the quantity of currency, is certainly the regular method of curing the evils, which arise from such undue quantity; when therefore, such evils appear, the regular remedy should be applied in the speediest manner, i. e. the States money being particularly instrumental of producing those evils, must be sunk as speedily as possible; that it should be sunk by loan, rather than by taxation will further appear, by considering that the expences of the war are still pressing us, that they are unavoidably encreasing by the encreased price of all necessaries, and therefore that the treasury must be supplied with larger sums; this can only be done, either by emission of more bills of credit, by taxation or borrowing on loan; of the first, too much has been done already; for a calculation between the advanced prices of goods, and the interest of money, must satisfy every unprejudiced person, that had we been able to have hired the money necessary for our expenditures, instead of making new emissions, above half the expences would have been saved, i. e. eight times the interest the emission of more bills will render of less value what is already current, i. e. will raise the price of all necessary articles, and by that means encrease our expences, to a much greater amount than the interest of such a sum of money as, if borrowed, would have prevented the necessity of such emissions.

TAXATION and borrowing on loan, only remain as methods to supply the treasury; the exigencies of affairs, forbid the siting the flow, uncertain method of supplying the treasury wholly by borrowing, and made it necessary that all the money that could be raised by taxation, should be paid into the treasury in Continental money for the support of the war, and of course no other method was left of sinking the States money than that prescribed in the act, of drawing it in by loan: Had the States money been called in by taxation, it would have cost all the tax that could conveniently be raised for the year 1777, and then there would have been no method left of supplying the treasury, but borrowing Continental bills on interest; and with regard to the increase of debt, as is objected, there is no odds upon the loan of what money the interest is paid, whether States bills or Continental: Whence it appears, that your Representatives were reduced to the choice of the following cases; either to call in the States money by taxation, and then pay it out again for current charges, after it was known to be so counterfeited as to deceive the good people; or to call it in by tax and destroy it, and then endeavour to supply the treasury by borrowing on loan, or by making more emissions of money, or else to sink the State bills by loan, as prescribed in the act, and appropriate the tax to the supply of the treasury, the latter was adopted, as being the most beneficial of either.

BUT it is said "*that this method will throw the interest money into the hands of evilly disposed monopolizers who have accustomed the depreciation of our currency.*" Whether those persons called monopolizers, have not undervalued the money, and whether the great surplussage of money has not occasioned the monopolizing of commodities, are questions easily determined, and whether the receiving interest for States money, will benefit such persons more than receiving interest for Continental money in the Continental loan office, where draughts for silver money in France is paid for interest, and whether it is possible to carry on this necessary war, without borrowing large sums over and above all our taxation, and whether the taking the money of particular persons into our funds, will not engage the abilities of such persons to the American interest, and whether we can possibly punish those unworthy persons by suffering the currency to grow useless in their hands, without distressing the worthy part of the community; and whether the taxing such persons in proportion to their interest, will not reduce their newly acquired property to public benefit, are questions worthy of consideration.

IT is said, "*that the time for executing the act is too short, and that distress will be occasioned thereby*", but it will be considered, that the circumstances of our affairs required a speedy remedy, and the depreciation of our money was in some measure owing to an apprehension that it would not

be called in by taxation, loaning or otherwise, and much greater evils must have arisen to the credit of our State bills, by protracting the currency of them, than can arise by the suddenness of the change, for in addition to what has been said, vast quantities of counterfeited bills have been prevented getting into circulation thereby : It is also objected, *"that the method of loaning, prescribed in the act, will not answer the purpose of putting the money out of circulation, tho' we pay interest for it"*, but doth not the experience of those notes now on interest prove the contrary, the continual encreasing value, prevents their passing as a currency, unless in cases of great occasion, and then Bonds, Mortgages and Ships, yea Houses and Lands may be transferred.

We think ourselves obliged to take notice of an objection, which tho' variously expressed, in substance is this, *"that the first act in council and assembly, for the redemption of public faith, and contrary to the promise made on the face of the bills?"* The objectors are desired to consider whether if the act had been, that every man who was possessed of States money, should bring it to the treasurer, and for it receive the amount in silver and gold, would this be a violation of public faith, and contrary to the promise made on the face of the bill ? Can it be said, that the money so received at the treasury would be received in payment ? If instead of paying in silver and gold, it should be paid for in Continental money, or a new emission of money, would this be a violation of public faith, &c. ? why then is redeeming them by large notes on interest still a violation, &c. ? To this it may be answered, *"because they will not pass in common payment at the treasury, and a man is forced to loan his money whether he will or not"* : Is not this bringing a objection from the letter to the spirit ? Should the General Assembly, had taken no measure to reduce the quantity of paper currency, and thus its value, would this be a violation of public faith and public trust ? Suppose they had not taken to reduce the quantity by drawing in the States money by taxes, and then had not been able to supply the treasury for necessary defence, would this be a violation of public faith, cruel, oppressive, &c. Is here not a real & positive violation of public faith, and public trust, put in opposition to a supposed violation of a promise in the face of the bill ? Doth not the whole force of this objection arise from the objectors not being willing, to loan their money for public use ? If the good intention and effect of the act was duly supported by a spirit of Patriotism, would there be any complaining of being forced to loan a little superfluous money for common good ? Is it not been the universal sentiment since this war began, that the States should not stop at the next pay what we are not able to ? How can that be, one who is loaning the State ? Do any think we should be melting paper money, and leave the next generation to redeem it ? Is it not certainly known, that paper money can't be made beyond a certain quantity, equal to the articles that are usually bought and sold, and beyond that, only the nominal sum is encreased, and not the value, compared with things to be bought, and that this is the case with gold and silver, as well as paper currency. But it is said, *"that the great plenty of paper money, renders it more easy to redeem the States money by tax now, than it will be hereafter when money is scarce"*. This is an undoubted reason why we should collect as much money by tax as we can bear, and if the current expences will admit, that any of the notes on interest, should be redeemed it should be done, but whoever considers the unavoidable expence of the present war, including our share of the continental expence, will hardly suppose our taxes will be equal to it. It is not much to be wondered, that the good people of this State should differ in their sentiments respecting the best methods of remedying the evils we all complain of, as the system of money matters and commerce in their nature, are intricate and abstruse, and perhaps not generally understood.

It is with pleasure we observe, that jealousy for liberty which has occasioned these objections, yet we should cautiously guard against the subtil designs of our internal enemies, who omit no opportunity of fomenting divisions and jealousies, by which only they can hope to subdue us ; and we should well consider, whether there are more evils and inconveniencies arising from the act complained of, than always attend those great operations which are necessary for public safety.

Your Representatives are equally concerned in the matter with yourselves, and cannot possibly lay a burthen on the community, in which they do not partake in proportion to their property, as settled by the present tax bill : The only objection that remains to be obviated is, *"that there unavoidably will be small sums remaining in the hands of poor people, who may not be able to change it with their rich neighbours, and that without some provision, they will be in danger of losing it"*. At the making the law it was thought, that the more substantial part of the inhabitants would have been so apprehensive of the necessity and usefulness of the act, as to have exerted themselves to carry it into execution, and have relieved others, by exchanging such small sums for them : And in order to give opportunity for this, the Court have by an act lengthened the time for collecting in the money.

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UPON the whole, the good effects of this regulation so much complained of, are already obvious in many respects, and nothing seems wanting but perseverance to reap the real benefit of it.

It would have been more desirable to your Representatives, to have called in the States money by taxation, if the circumstances of the State would admit, but the necessity we shall be under of raising a sum of money to supply the Continental treasury, in compliance with a requisition of Congress, received since your petitions were under consideration (as will appear by the Resolve of Congress transmitted you) render it quite impracticable, and would give as much uneasiness to some towns, as satisfaction to others; but that no town may think that due attention has not been given to their petitions, the Court have passed an act, enabling such towns as think they can afford to raise a still larger tax, to raise money and put it on loan, for the purposes in the act mentioned: Whilst your Representatives are labouring to conduct your common concerns by the safest rules, and most beneficial methods; they trust their constituents will not embarrass their measures, by misapprehensions and distrust, but afford them that confidence and support, without which the best administration must fail of success.

State of *Massachusetts-Bay.*

In the House of REPRESENTATIVES December 15, 1777.

ORDERED, That Mr. Paint, Mr. Greenough and Mr. Phillips, be a Committee to correct the Address reported to be sent to the Inhabitants of this State, setting forth the reason which induced the House to pass an Act for calling in the Bills of Credit emitted by this Government, and obviating the objections that have been made to it; and that Mr. Scott cause the same, when prepared by said Committee, to be printed in hand bills, one of which to be sent to the Selectmen of each town in this State to be communicated.

Extract from the Minutes,

Attest.

SAMUEL FREEMAN, Clerk.

Goodspeed's Book Shop

(INCORPORATED)

18 Beacon Street, Boston 8, Massachusetts



Nº 13015

DATE 3/26/58

SOLD
TO

SHIP TO

Mr. Eric P. Newman

- c/o Edison Brothers Stores, Inc.
- 400 Washington Avenue
- St. Louis 2, Missouri

TERMS: NET. NO CASH DISCOUNT

HOW RECEIVED		ENCLOSURE	SHIPPED VIA	DEPT.	
mail MJW:pf		\$	PARCEL POST	3	
CAT. NO.	ITEM				PRICE
March list					
70		Wright. The American negotiator.... London, 1765. [Broadside.] To the Inhabitants of Massachusetts- Bay. [Boston, 1777.]			7 50
193					17 50
		Delivery			25 00
					25 64

RECEIPTED BILL WILL BE RETURNED UPON REQUEST